

1964

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Report from Spain

EXTENSION OF REMARKS

HON. DONALD RUMSFELD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1964

Mr. RUMSFELD. Mr. Speaker, with the news that the United States and the U.S.S.R. have entered into a consular agreement which will come before the Senate for ratification, I believe the recent report from Spain by Walter Trohan, chief of the Chicago Tribune's Washington bureau, is timely and significant. I submit it for inclusion in the RECORD:

REPORT FROM SPAIN

(By Walter Trohan)

MADRID, May 28.—More in sorrow than in anger, the Spanish press this week gave prominence to the American State Department's disclosure that a network of more than 40 microphones was found in the American Embassy in Moscow in 1952 and 1953. It also was reported that missions of other nations were studded with spying mikes.

Spain, which does not recognize Russia, wonders why its great and good friend does, especially since it has been demonstrated from time to time that Russia has used its Embassy, its United Nations representatives, and its press as avenues for spying on the United States. Spain learned its lesson the hard way when it recognized Russia 30 years ago only to find that the Red Embassy in Madrid was staffed with scores of Spanish-speaking subversive agents, who helped provoke the Spanish Civil War.

Spain has been suspicious of Red peace overtures against a background of denunciations of the Spanish regime that has given this country 25 years of peace. Its people find it hard to understand why the United States continues to meet the Reds more than halfway after continuous Kremlin denunciation of the American way of private enterprise.

NOBLE GESTURE IS WAY OF LIFE

It isn't that the Spaniards don't understand a gesture. No people on earth are more given to the grand gesture. A noble gesture and a dedication to honor are a way of life here, as real as it is earnest, but the gesture is never suicidal, and the cheek is never turned more than once if ever.

In Spain, for example, there is an annual poetry prize in Catalonia, where the third prize is a rose of gold, the second a rose of silver, and the first a living rose. Only a great people can be capable of such a grand gesture, and only men dedicated to the muse of song can work so hard for the fragile bloom rather than of silver or gold.

The Spaniards are not a simple people. Therefore they are convinced that if the Russians had more than 40 microphones in the American Embassy in Moscow, the Americans must have had a few in the Soviet Embassy in Washington. Still, they are not certain of this, because they know well that if the Reds would have, the openhearted and generous United States which has been and is so trusting, might not.

REDS SEEK TO MOVE EMBASSY

Yet Spaniards wonder how a State Department, which knows the Reds had a network of more than 40 microphones in its Embassy in Moscow 10 years ago, and can be expected to do better today with modern techniques, can support Kremlin plans to move the Russian Embassy in Washington from a central area, where comings and goings would be watched, to a more distant and secluded

area, where Embassy staffers might pursue espionage and subversion with less chance of detection.

The Spaniards can understand American failure to match the Russians microphone for microphone, but they don't understand why the United States continues to grant most favored nation treatment to a power that is dedicated to dominating the world thru the frequently expressed means of destroying individual freedom and liberty.

Nor can they understand sending wheat to feed the Communist enemy, even if it means dollars for the economy, the Spanish economy needs fiscal help more than most. They do not trade with Russia, nor do they accept intent where deeds would seem most to be demanded.

Vietnam

EXTENSION OF REMARKS

OF

HON. GLENARD P. LIPSCOMB

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1964

Mr. LIPSCOMB. Mr. Speaker, the Nation is becoming increasingly more apprehensive about the Vietnam situation—about the type of equipment furnished for our men there, and basic policies, and about the shortcomings of the basic policies relating to our involvement in that struggle.

An example of the concern is an editorial which appeared in the May 24, 1964, issue of the San Gabriel Valley (Calif.) Tribune:

Under leave to extend my remarks, I submit the editorial for inclusion in the RECORD:

LET'S GO TO WIN OR GET OUT

It is beginning to dawn on the American people that they have once again been sucked into a Korean-type war that we are not supposed to win. This time, of course, it is in South Vietnam, and there are other differences. U.S. military men are supposed to be advising and training South Vietnam forces in their struggle against the Communist Vietcong guerrillas, not fighting. They are not, as yet at least, under U.N. direction as in Korea, their orders coming from Washington. But they are fighting—and dying—in another war in which the enemy cannot be pursued or harassed beyond the borders of South Vietnam into the Red sanctuaries of Cambodia or Laos or North Vietnam.

Most shocking of all the reports coming out of this heartbreaking struggle tell of the obsolete planes and helicopters our pilots have had to fly, presumably because of the terms of a Geneva treaty of 1954 requiring that wornout equipment in South Vietnam could only be replaced (piece by piece) by similarly dilapidated items. And the story that rocked Washington was that of Jim Lucas, of Scripps Howard, who told of two U.S. airmen who died in their T-28 trainers when the wings came off in bombing runs—and of the other pilots who could expect the same fate any day. For good measure, it is now revealed that the United States was not a signatory to that 1954 treaty.

As a result of the growing uproar, better planes, more ammunition and more troops are to be sent to South Vietnam. President Johnson has asked \$125 million more in military and economic aid. But, at this writing, there has been no word of the U.S. that would permit U.S. forces to carry the war to the enemy and into his sup-

ply bases and staging areas, that would indicate our determination to win or assure those who are facing death in the faraway jungles that such a sacrifice will not be in vain.

"It will be a long war," Secretary McNamara reported on his latest return from Saigon. If it is not a war to be won, it should not last a minute longer than it will take to get our fightingmen out.

SBA Administrator Foley Sees Bright Future for Small Firms

EXTENSION OF REMARKS

OF

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1964

Mr. EVINS. Mr. Speaker, a very excellent article entitled "SBA Head Sees Bright Future for Small Firms," by Eugene P. Foley, the able Administrator of the Small Business Administration, appeared in the Sunday, May 24, issue of the Washington Post. The article coincided with the beginning of National Small Business Week, as proclaimed by President Johnson.

Administrator Foley points out a bright picture for small firms and describes the tremendous role that they play in our national economy. He also discusses the manner in which the SBA loan programs can be of assistance in the war against poverty.

This excellent article by Administrator Foley should be of interest to all of those interested in small business. As chairman of the House Small Business Committee, I desire to call it to the attention of my colleagues.

Mr. Speaker, the article entitled "SBA Head Sees Bright Future for Small Firms," follows:

FOLEY CALLS THEM AID IN POVERTY WAR—SBA HEAD SEES BRIGHT FUTURE FOR SMALL FIRMS

(By Eugene P. Foley, Small Business Administrator)

Small business in America is in relatively good health today and can look forward to an even brighter future.

More than 9 out of every 10 businesses in this country are small enterprises. Moreover, the Nation's small firms are increasing at about 50,000 a year and account for virtually all the net gain in our business population.

This no doubt will surprise those who fear small business is on the way out in this country, that it is being swallowed up by the giants. Actually, at the current pace of the economy, the small business population of 4.6 million will go over 5 million by 1970.

In recognition of the tremendous role small firms play in our national economy, President Johnson has claimed the week starting today as National Small Business Week. The President pointed out that small businesses provide:

About one-third of the Nation's goods and services;

A broad source of diversified employment opportunities;

An opportunity for expression and growth of personal initiative and judgment;

New ideas, new methods, and new products which stimulate our economy.

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It is in the area of service industries that the small businessman is dominant and where he will have his best future. The service field promises to continue to be an area of exceptional dynamic growth.

SERVICES ON RISE

During the period 1946 through 1963, employment in businesses providing services increased from 4.7 million to 8.3 million—rise of 76 percent. For the rest of the economy, the growth in employment was 18 percent.

Americans with more money to spend are demanding more services. The man or woman who has an idea, some capital and a willingness to take risks has an excellent chance to establish a successful small business today.

In rapidly growing suburbia, the small businessman can find many opportunities to establish a successful business, particularly in the service field but also in retail trade.

I do not mean to suggest that small business is without problems. The number of small manufacturers has been declining in recent years—from 332,000 in 1947 to 313,000 on January 1, 1963. This important sector of the small business world must not be weakened.

Of concern, too, is the matter of increasing the amount of Government work done by small firms. Federal Government purchases in fiscal 1963 added up to \$33.8 billion—but only 16.8 percent or \$5.7 billion went to small business.

R. & D. POTENTIAL

In research and development, small business handled a mere 3.5 percent of the \$5.7 billion the Federal Government spent in fiscal 1963. We believe smaller firms are qualified to do a greater part of this and other Government work.

Time and again small firms have produced a higher quality product at a lower price and at an earlier delivery date than the Government could have obtained from their giant competitors.

The line between small and big business often is difficult to draw. Many think of small business as only the mom-and-pop type of operation, such as the corner grocery. But a factory could have 250 employees and still be considered small. The yardsticks for measuring the size of a business vary by industry. Basically, a small business must be independently owned and operated and not dominant in its field.

In the President's war against poverty, the small business community can perform combat duty. The SBA will supply ammunition.

By assisting and encouraging small businesses to expand, the SBA can help open up a major source of jobs for the unemployed. As an indication of what can be achieved, nearly 23,000 new jobs have been created by one of our programs alone. This is the one under which \$53.3 million have been loaned to local development companies since 1958 for use in constructing plants or otherwise aiding expansion.

ALLY AGAINST POVERTY

In another attack on poverty, the SBA has launched pilot projects in Philadelphia and New York with a liberalized small loan program that gives more attention to the human qualities of the applicants and less to their collateral, though it, too, is considered. The projects are aimed at opening the doors of the business world to the man or woman who has a good idea but is prevented from putting it into effect merely because of lack of capital. We believe that if the potential is there, we should be willing to take a calculated risk.

The pilot projects also cover very small businessmen who, while established, need help to expand.

In this era of rapid change, the small businessman, far from being at a disadvantage, often has the edge over the industrial greats.

This is because it is usually the small businessman who is the innovator, who takes a chance on developing new products and new techniques. Many significant inventions are the work of individuals who have imagination and are willing to gamble by founding a small firm to market their inventions.

Big companies have heavy investments that tend to make them conservative, that make them resist radical change. It is the small businessman we must look to for new products, new services, new ideals in retailing.

Promotions for Sale?

EXTENSION OF REMARKS

OF

HON. ELFORD A. CEDERBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1964

Mr. CEDERBERG. Mr. Speaker, from all reports the recent fund raising affair staged by the Democratic Party was quite a wing-ding. The high-pressure ticket sales campaign among Government workers before the event was even more of a wing-ding with credit card trimmings. At least, according to columnist Arthur Hoppe, it left one Government employee wondering whether, in the presence of the Democratic high command, he should put his hand over his heart or put his hand on his pocketbook.

Mr. Hoppe's article entitled "Loyalty on the Installment Plan," appeared in the Washington Star, May 30, and follows:

LOYALTY ON THE INSTALLMENT PLAN: JOHNSON FOLLOWER DUMPS BLOND TO ATTEND GALA ARMORY SHOW

(By Arthur Hoppe)

I think it's heart stirring the way 7,000 Government workers turned out for a gala the other night to pay tribute to President Johnson. Considering they had to pay \$100 in tribute apiece.

As you know, these tribute-paying galas are very traditional in Washington. The incumbent President, whoever he is, has gone way in the hole getting elected. Or he plans to toss away money hand over fist to get re-elected. So the party chairman says grimly to the National Committee: "Gentlemen, due to the profligacy of our wastrel President, we are in dire financial straits. There is only one thing to do. We must throw a great big party in his honor."

The call goes out to the party's members in all the Government agencies to buy \$100 tickets and demonstrate their unity. Which they do by groaning equally loudly.

In the event you might like to know how these happy party-goers feel, I attended Mr. Johnson's gala with a young gentleman whose name and agency I won't reveal. Because he likes his work. And I can't tell you how happy he was to be going to a party. That I can't.

"Boy, they really had it organized this year," he said, as we were driving over to the National Armory for the fun-filled festivities. "I'm pretty low echelon and they never hit me up before. But this time, the guy who is the bagman for our building comes in with a list and says, 'How'd you like to pay tribute to our beloved President? In one lump? Or \$25 down and the rest in easy payments?'"

"So I said I had an engagement with a girl and I would have to go sit on a hard chair in the armory for 3 hours. If I knew what was good for me.

Actually, what I should've done was call Elliot Ness. I understand that tickets to this thing have fallen into the hands of unscrupulous scalpers. They're getting 50 cents each."

We joined the gay, mad throng all wearing their best clothes and rather pained expressions, and filed into the armory, which looks like an armory. Inside, the place was all gussied up with red, white and blue bunting, balloons, banners and a huge heart saying: "U.S.A. loves L.B.J."

You would have loved the entertainment, if you would like watching the Ed Sullivan show for 3 hours. The high point came when everybody—well, some people—joined in singing, "Once in love with Lyndon, always in love with Lyndon * * *." And ending: "'Cause Lyndon's always been in love with us." But my friend said he couldn't sing because he was too choked up.

The party ended with a speech by the Democratic National Chairman, John Bailey, who said, "Thanks a million." Which I calculated was a \$300,000 exaggeration. And a speech by Mr. Johnson himself, who said it sure had been "a wonderful party." Everybody then demonstrated their love for the leader by applauding. Very politely.

Well, it certainly isn't Mr. Johnson's fault. Every President, I suppose, has to be the leader of his Nation and also of his party. But these two incompatible roles do tend to make people a little schizophrenic. Or, as my friend put it on the way out: "Whenever our beloved President passes by, I never know whether to put my hand over my heart or over my wallet."

ARA's Political Funnel

EXTENSION OF REMARKS

OF

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 2, 1964

Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the St. Louis Globe-Democrat, May 18, 1964:

ARA'S POLITICAL FUNNEL

Though not yet 4 years old, the Area Redevelopment Administration has committed so many offenses against public sensibility and the public purse that the country's patience with it should have long since been exhausted.

There is a modified Senate bill now pending in House Rules which would almost double the present \$375 million spending authorization of ARA. This new boodle could be entirely dispensed under law by June of 1965. The past record of ARA indicates the new power must be denied the administration in an election year especially.

In ARA, Congress was supposed to have designed a poverty war weapon to eliminate pockets of penury by the concentrated and timely deployment of Federal funds. Today, in a documented article in the May issue of Reader's Digest, ARA stands charged with a multitude of bureaucratic sins.

First, it has been lending money to competitors of existing firms and driven some out of business. Thus it has destroyed jobs as well as created them.

In Sandpoint, Idaho, ARA funds built a ski resort which bankrupted another ski run built with private capital.

In Detroit, where two hotels went bankrupt through ARA's meddling, ARA came in with Federal funds to finance three more. The result: The existing hotels, already suffering